

Operating Companies (RBOCs). Both AT&T Inc. and Verizon Communications are expected to derive increased merger synergies from their respective acquisitions of AT&T Corp. and MCI, as integration efforts enter their second year, and integration costs decline. For AT&T, the completion of the BellSouth merger will be important, but the timing of the final approval from the FCC is uncertain as the agency has delayed the approval of the merger more than once already. Nevertheless, Fitch expects the merger ultimately to be approved. Positive aspects of the post-merger AT&T and Verizon include their diverse service offerings, strong wireless businesses and solid balance sheets. The principal negative characteristics of post-merger AT&T and Verizon, along with Qwest Communications International Inc. (Qwest) include the exposure of their consumer wireline businesses to ongoing wireless substitution and the rise of competition from cable MSOs which have virtually completed their voice service deployments. AT&T and Verizon are affected by the timing differences between the cable MSO telephony offerings, and the nascent stage of their own network-based video deployments. As a consequence of improving the competitive position of their networks, AT&T's and Verizon's re-investment levels remain high. Cash flows are expected to grow moderately for the AT&T and Verizon due to strong wireless results, and additional merger synergies. Qwest should also experience modest growth on continued expense reduction. Fitch does not expect the RBOCs to decrease debt levels in 2007. AT&T's debt is expected to increase modestly, as the remaining \$7 billion-\$8 billion of its \$10 billion stock repurchase program is completed during 2007. Verizon, having shed approximately \$7 billion in debt through the spin-off of its directory business in the fourth quarter of 2006, is expected to maintain relatively flat debt levels, with ongoing leverage sustained modestly below recent historical levels. Qwest should reduce debt only as maturities occur, which should lead to a reduction of approximately **\$474** million in 2007.

Rural Local Exchange Carriers (RLECs):

Fitch believes trends in the rural local exchange carrier (RLEC) segment and reliance on traditional sources of wireline revenue warrant a more negative outlook than for the industry as a whole. In 2007, heightened competitive forces

raise the *risk of weaker financial results, and an uncertain regulatory* environment could also pose a problem. Rural carriers have a greater reliance on universal service funds and intercarrier compensation revenues, two sources of revenue that have been subject to protracted reform processes. Free cash flows for the RLEC sector are quite strong, however, surplus cash flows have generally been returned to equity holders in the form of dividends and share repurchases. Thus carriers have had relatively stable debt levels and minimal cash balances.

Wireless Outlook:

Overall, wireless sector fundamentals remained positive in 2006 due to steady subscriber penetration gains, improved churn and relatively stable ARPU with strong growth in data revenue moderately offsetting the voice ARPU pressure from lower-valued subscribers. The strength in the results was driven by the network integration efforts at Cingular and strong operational performance at Verizon Wireless. While industry gross additions should increase to the mid-single digits in 2006, postpaid gross additions are on pace for a mid-single digit decline, while prepaid / reseller gross additions are expected to grow robustly in the 40% range as the subscriber mix changes due to the focus on the youth segment. Aggregate industry churn for the year should improve modestly to approximately 1.9%. Aggregate net additions will decrease in the mid-single digit range to approximately 21 million, a decrease of 2 million from the high point in 2005. Postpaid net additions should decline in the mid-teen range, although partially offset by strong gains in the prepaid and reseller segment. Consequently, these operational measures will lead to solid growth in revenue and EBITDA in the low double digit range although growth slowed from a year ago when accounting for consolidation within the industry. For the fourth quarter of 2006, data revenue should approach an annualized revenue stream of \$17 billion compared with \$10 billion a year ago. Margins are expected to improve by approximately 200 basis points to 33% largely driven by cost structure improvements at Cingular and increased scale in Verizon Wireless' operations.

Fitch expects gross additions will be slightly higher in 2007 with growing

pressure on churn, causing aggregate net additions to decrease by approximately 4-5 million from 2006 to the 16-17 million range. Aggregate churn is expected to increase slightly in 2007 with some improvements in postpaid churn being more than offset by an increasing mix of higher churn, lower economic value users in the total subscriber base. With these trends and Sprint Nextel's operational issues, Fitch expects aggregate revenue growth to further slow in the upper single digit range as ARPU is somewhat pressured despite the growth expected in data revenue. Since Verizon Wireless, Cingular and Sprint Nextel Corp. have completed the majority of the nationwide deployments for wireless broadband data with code division multiple access (CDMA) evolution data optimized (EV-DO) or universal mobile telecommunications system (UMTS)/high-speed downlink packet access (HSDPA) technology, Fitch expects good prospects for continued data revenue growth, particularly as data plan price points fall and broader availability of different data handsets and applications increase the adoption rate. By the fourth quarter of 2007, data services could have an annualized run-rate of approximately \$26 billion. While further integration efforts at Cingular and continued strong operating performance at Verizon Wireless will assist in improving EBITDA margins to approximately 35% in 2007, network build-outs beginning in late 2007 at T-Mobile and Sprint Nextel will likely pressure any additional improvement beyond 2007. In addition, given Sprint Nextel's recent weak performance, Fitch is concerned the subscriber trends coupled with the positive momentum generated by Verizon Wireless' strong results and Cingular's improved operational performance could exacerbate the challenges that Sprint Nextel faces in stabilizing its performance in light of their numerous operational issues.

- ALLTEL Corp. ('A', Stable Outlook)
- American Tower Corp. ('BB-', Positive Outlook)
- AT&T Inc. ('A', Stable Outlook)
- BCE Inc. ('BBB+', Stable Outlook)
- BellSouth Corp. ('A', Stable Outlook)
- Centennial Communications Corp. ('B-', Stable Outlook)
- CenturyTel, Inc. ('BBB', Stable Outlook)

- *Cincinnati **Bell**, Inc. ('B+', Stable Outlook)*
- Citizens Communications ('BB', Stable Outlook)
- Dobson Communications Corp. ('B-', Stable Outlook)
- Ernbart Corp. ('BBB-', Stable Outlook)
- Level 3 Communications, Inc. ('CCC', Positive Outlook)
- Qwest Communications International, Inc. ('BB', Stable Outlook)
- Rogers Communications, Inc. ('BB', Positive Outlook)
- Rural Cellular Corp. ('CCC', Stable Outlook)
- Sprint Nextel Corp. ('BBB+', Negative Outlook)
- Telecomunicaciones de Puerto Rico, Inc. ('BBB+', Stable Outlook)
- Telephone & Data Systems, Inc. ('BBB+', Rating Watch Negative)
- TELUS Corp. ('BBB+', Stable Outlook)
- Verizon Communications ('A+', Stable Outlook)
- Windstream Corp. ('BB+', Stable Outlook)

Contact: Michael Weaver +1-312-368-3256, Chicago.

Media Relations: Brian Bertsch, New York, Tel: +1 212-908-0549.

Fitch's rating definitions and the terms of use of such ratings are available on the agency's public site, 'www.fitchratings.com'. Published ratings, criteria and methodologies are available from this site, at all times. Fitch's code of conduct, confidentiality, conflicts of interest, affiliate firewall, compliance and other relevant policies and procedures are also available from the 'Code of Conduct' section of this site.

Cable Racks Up Over 1 Million VOIP Subs in Q2

SEPTEMBER 18, 2006

Shattering their old quarterly record for VOIP subscriber gains, North American cable operators signed up more than 1 million IP phone customers for the first time during the spring, according to the latest figures compiled by *Cable Digital News*.

Using mainly the publicly reported figures of cable companies, *CDN* estimates that U.S. and Canadian MSOs collectively netted 1.03 million new VOIP customers in the second quarter of 2006, beating their first-quarter VOIP gains by about 100,000 subscribers. As a result, *CDN* reckons that the North American cable industry ended June with approximately 4.8 million IP phone customers, up from slightly less than 3.7 million customers at the close of the first quarter and slightly more than 2.7 million at the end of last year.

The spring surge occurred even though the second quarter is traditionally the weakest three-month period of the year for the cable guys because of temporary service disconnects by college students and snowbirds leaving their homes for the summer. It came at the same time that U.S. and Canadian MSOs added about 1.18 million high-speed Internet access subscribers, suggesting that most new cable broadband data customers are also opting for broadband voice service.

The second-quarter totals mean that North American cable operators are now signing up an average of about 11,000 new customers a day for IP phone service, up from 9,900 customers per day in the first quarter. Although impressive, that's not too surprising given that all three of the biggest cable IP phone players — Time Warner Cable, Cablevision Systems, and Comcast — are now signing up close to 10,000 or more subscribers every week.

In addition, the latest figures mean that U.S. and Canadian MSOs, with 1.9 million new VOIP subscribers under their belts after the first half of the year, are well on their way to signing up close to 4 million phone customers this year. In a recent *Cable Industry Insider* report, *Light Reading* projected that cable operators would rack up at least 3.8 million VOIP subscribers this year and another 5 million next year, boosting the industry's grand total to 11.5 million.

Overall, the cable industry now counts more than 7 million telephony subscribers, including those using older, more traditional circuit-switched technology. Cox Communications and Comcast, with at least 2.3 million circuit-switched phone customers between them, together account for nearly all of the non-VOIP subscribers.

As several RBOCs have admitted in their recent quarterly earnings report, cable's gains are coming at least partly at the phone companies' expense. The phone industry's exact losses to cable have been hard to quantify, though, because the wireless industry's growth is taking its toll on landline connections at the same time.

In the latest market analyst report last month, for example, *Primetrica* noted that the five largest telcos — AT&T, Verizon, BellSouth, Qwest, and Embarq — collectively lost nearly 2.6 million switched access lines in the second quarter. But the firm didn't break down the losses between cable gains and wireless substitution.

As they have for the past two years, Time Warner and Cablevision continue to dominate the cable VOIP business, combining to add more than 355,000 phone subscribers in the second quarter. The two MSOs ended June with more than 2.6 million IP phone customers between them, still more than half of the entire industry total.

But, while Time Warner and Cablevision continue to lead the pack, other large MSOs are starting to make big strides in the VOIP market, too. In particular, Comcast and Charter Communications are now picking up speed after getting off to a relatively late start.

Plus, several large, slower-moving MSOs are finally entering the VOIP market. One laggard, *CableOne*, started rolling out service in May, while another, *Insight Communications*, plans to launch VOIP later this

month.

Brigham/Teitzel Declaration Exhibit 1

Although it cooled off from its torrid pace at the start of the year, Time Warner easily maintained its position as the top cable VOIP provider by netting 234,000 new customers in the second quarter, down from its record-high total of 270,000 in the preceding quarter and 242,000 in the year-ago period. With the increase, the company raised its overall "Digital Phone" customer count to 1.6 million, at least 600,000 customers higher than Cablevision, its closest cable rival.

Taking questions on the company's earnings call last month, Time Warner officials shrugged off analysts' concerns about the company's slight decline in VOIP sales growth. Defending the MSO's performance, Jeff Bewkes, chairman of the company's Entertainment & Networks Group, said "the second-quarter voice numbers are always seasonally down and have been most years." He also noted that Time Warner is seeing penetration levels of 15 to 20 percent in some of its older phone markets, such as Albany, Syracuse, and San Antonio.

Second-place Cablevision enlisted 122,234 VOIP subscribers in the spring quarter, boosting its Optimum Voice subscriber total to about 988,000. The MSO, which has since become the second cable operator to clear the 1 million-subscriber barrier, also raised its industry-leading VOIP penetration rate to 21.9 percent of homes passed in the New York metro area.

Picking up ground on both leaders, Comcast snared 306,000 VOIP subscribers in the quarter, up an impressive 45 percent from 211,000 in the preceding quarter. With the gain, the continent's largest MSO boosted its total IP phone customer count to 721,000, putting it in position to scale the 1 million customer mark by the fall. In his remarks during the company's second-quarter earnings call, Comcast COO Steve Burke said the MSO is now signing up about 23,000 VOIP subscribers per week, up from 16,000 per week in the first quarter and 10,000 per week last fall.

Tickled by the results, Comcast officials have hiked their VOIP signup goals for the year. They now expect to add 1.3 million to 1.4 million IP phone subscribers by year's end, up from their earlier projections of a cool 1 million subscribers.

Cox, the cable industry's biggest overall phone player with 1.8 million circuit-switched and VOIP subscribers, does not break down its customer totals by technology. But the privately owned MSO, which added an estimated 70,000 IP phone customers in the spring, is aggressively expanding its VOIP reach. The company introduced service in the Cleveland area in July and plans to roll out VOIP to its last four markets by early next year.

- Alan Breznick, Site Editor, Cable *Digital News*

Please don't feed the monkey. Copyright © 2000-2007 Light Reading Inc. - All rights reserved.

**DECLARATION OF ROBERT H. BRIGHAM AND DAVID L. TEITZEL
REGARDING THE STATUS OF COMPETITION IN THE SEATTLE,
WASHINGTON METROPOLITAN STATISTICAL AREA**

HIGHLY CONFIDENTIAL EXHIBIT 2

REDACTED

**DECLARATION OF ROBERT H. BRIGHAM AND DAVID L. TEITZEL
REGARDING THE STATUS OF COMPETITION IN THE SEATTLE,
WASHINGTON METROPOLITAN STATISTICAL AREA**

EXHIBIT 3

Manage Your Account

Enjoy secure and convenient access
to your account whenever you want.

[Residential customers](#) ▶

[Business customers](#) ▶



Local and long
distance, Internet,
wireless phone and
satellite TV—all for
your home

[Learn more](#) ▶

Small Business

Voice, Internet and
data services for
businesses and
home offices

[Learn more](#) ▶

Enterprise

Networking and
communications for:
- Business Solutions
- Government
- Wholesale

[Learn more](#) ▶

AT&T, BellSouth and Cingular are joining together.

Introducing AT&T Unity™, the best of Wireline and Wireless services.

Learn about the AT&T-BellSouth™ merger. [customer](#) or [corporate](#) information.

[Corporate Information](#) | [Customer Support](#) | [Contact Us](#)



Proud Sponsor of the U.S. Olympic Team

* cingular YELLOWPAGES.COM™

AT&T Store. Shop for home and small office electronics ▶

© 2000 AT&T Knowledge Ventures. All rights reserved. AT&T, BellSouth, and Cingular are trademarks of AT&T Knowledge Ventures.



Residential

Products & Services

Customer Center

Assistance



Calling Plans Internet Services Bundled Services Voice Over IP Phones & Accessories

- **Featured Products**
- Calling Plans
- Voice Over IP
- Wireless
- Internet Services
- Digital Satellite TV
- Bundled Services
- Phones & Accessories

BellSouth®
is joining **AT&T**

[▶ Learn More](#)

Featured Products and Services



Voice Over IP

**AT&T CallVantage®
Phone Service for Broadband**

\$24.99 per month

Order online &
get first month free

Discover local and long
distance calling over
your high-speed
Internet connection.

[▶ Learn More](#)



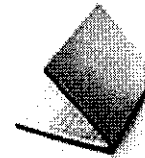
High-Speed Internet

AT&T DSL Service

Up to 100x faster than dial up

Free your phone line from
busy signals by switching
to high-speed Internet.

[▶ Learn More](#)



AT&T Parental Controls

Bringing parents
peace of mind by
keeping kids safe with
parental controls.

[▶ Learn More...](#)

AT&T Universal Card

Get 6,000 bonus
ThankYouSM points

Earn 5 points on every \$1
spent on eligible AT&T
products and/or services.

[▶ Learn More](#)

Account Access

Log In (Phone No.)

Log In (Email)

☒ Remember Me (10 min)

Forgot Your Password?
Former SBC Customers:
Log in at [AT&T Account Manager](#).
Former BellSouth
Customers: Log in at
[BellSouth My Account](#).

- **Federal Excise Tax
Refund Information**

Register Your Online Account

Setting up an Online
Account is free, easy
and fast. [Learn More.](#)

- [Sign Up for Online
Billing](#)

Get Assistance

- [Go to Customer Center](#)
- [Contact Us](#)
- [Information & Answers](#)
- [Moving?](#)
- [Rates, Terms &
Conditions](#)
- [Directory Assistance](#)

Products & Services

- [Compare Our Products
& Services](#)

Integra Telecom News Release

Integra Telecom, Inc. To Purchase Eschelon Telecom, Inc.

**Approved Acquisition will Result in Leading Provider for Businesses in 11 Western and Midwestern States;
Combined Annual Revenue Predicted to be in Excess of \$700 Million**

PORTLAND, Ore. - Mar 20, 2007 - Integra Telecom, Inc., a provider of local, long-distance and Internet services for businesses, today announced that it has signed a definitive agreement to purchase Eschelon Telecom, Inc. (NASDAQ: ESCH). The transaction is expected to close during the third quarter of 2007 upon obtaining necessary governmental and shareholder approvals. Upon closing, Eschelon will no longer be publicly held and operate under Integra Telecom, Inc., which will continue to be privately held and operated. The combination will yield one of the largest competitive local exchange carriers (CLEC) in the nation. Total company revenues are predicted to be more than \$700 million annually with more than \$200 million in pro-forma 2007 EBITDA.

Integra and Eschelon have each successfully focused on the business market for more than 10 years. "The combined companies are expected to create one of the most established, cash profitable CLECs, insuring long term continuity and superior service for the customers and employees of both companies," said Dudley Slater, CEO of Integra Telecom. The combined company will be able to provide Eschelon and Integra customers with expanded product offerings including business telephone systems and powerful high-bandwidth products available on Integra's fiber optic intra and intercity networks.

"Both companies have an excellent reputation in meeting the needs of their Customers," added Richard A. Smith, president and CEO for Eschelon. "The market position and financial strength resulting from this combination well positions the customers and employees of both companies for the future." Upon closing, Richard A. Smith will join Integra Telecom's Board of Directors.

Upon completion of the transaction, Integra will serve an average of 20 percent of the businesses in the metropolitan areas in which it operates in 11 Western and Midwestern states. The integration of the two businesses is expected to generate substantial operating and network cost savings as nearly 80 percent of each company's revenues derive from overlapping geographic markets. Much of Eschelon's traffic, which was previously routed over leased facilities from other carriers, will now be routed over Integra's extensive metropolitan area and intercity fiber networks.

Under the terms of the agreement, Integra will purchase Eschelon Telecom for \$30 per share or an aggregated purchase price of \$710 million, including the repayment of approximately \$144 million in Eschelon debt. Integra will fund the purchase and the refinancing of its existing debt with \$1.2 billion in new capital, including i) senior secured debt facilities to be placed by Deutsche Bank Securities and Morgan Stanley Senior Funding, Inc. as Joint Lead Arrangers and CIBC as Co-Agent, and ii) senior notes to be placed by Deutsche Bank Securities with CIBC acting as lead manager. Integra was advised by Deutsche Bank Securities with legal counsel provided by PerkinsCoie LLP.

Integra's Record of Financial and Integration Success

In early 2003, Integra became the first facilities-based CLEC in the 14-state Qwest Communications service territory to be cash profitable - a key indicator of a business's health. In August 2006 Integra completed the \$243 million purchase of Electric Lightwave from Citizens Communications and has successfully transitioned those customers to Integra's industry-leading brand of customer service.

About Integra Telecom

Integra Telecom, Inc. provides voice, data and Internet communications to thousands of business and carrier customers in eight Western states, including: Arizona, California, Idaho, Minnesota, North Dakota, Oregon, Utah and Washington. The company owns and operates a best-in-class fiber-optic network comprised of metropolitan access networks, a nationally

acclaimed tier one Internet and data network and a 4,700-mile high-speed long haul network. The company enjoys some of the highest customer loyalty and customer satisfaction ratings in the telecommunications industry. Primary equity investors in the company include Banc of America Capital Investors, Boston Ventures and Nautic Partners. Integra Telecom and Electric Lightwave are registered trademarks of Integra Telecom Inc. For more information, visit www.integratelecom.com.

About Eschelon Telecom, Inc.

Eschelon Telecom, Inc. is a facilities-based competitive communications Services provider of voice and data services and business telephone systems in 45 markets in the western United States. Headquartered in Minneapolis, Minnesota, the company currently employs approximately 1,400 telecommunications/Internet professionals, serves over 60,000 business customers and has approximately 600,000 access lines in service throughout its markets in Minnesota, Arizona, Utah, Washington, Oregon, Colorado, Nevada, Montana and California. For more information, please visit our web site at www.eschelon.com.

In connection with the merger, Escheion will file a proxy statement and other materials with the Securities and Exchange Commission. Before making any voting or investment decision, Escheion investors are urged to read the proxy statement and these materials when they become available because they will contain important information. Escheion and its officers and directors may be deemed to be participants in the solicitation of proxies with respect to the proposed transaction. Information regarding such individuals is included in Eschelon's proxy Statements and Annual Reports on Form 10K previously filed with the Securities and Exchange Commission and will be included in the proxy statement relating to the proposed transaction when it becomes available. You may obtain Eschelon's proxy statement, when it becomes available, any amendments or supplements to the proxy statement and other relevant documents free of charge at www.sec.gov. You may also obtain a free copy of Escheion's proxy statement, when it becomes available, any amendments and supplements to the proxy statement and other relevant documents by writing to Eschelon at 730 Second Avenue South, Suite 900, Minneapolis, MN 55402, Attn: Investor Relations or at WWW.esCheion.com under the tab "Investor Relations" and then under the heading "SEC Filings." In addition, Integra and its officers and directors may be deemed participations in the solicitation of proxies from Escheion's stockholders in favor of the approval of the merger.

Forward Looking Statements

This announcement contains forward-looking statements with the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The forward-looking statements are based on Eschelon Telecom's current intent, belief and expectations. These statements are not guarantees of future performance and are subject to certain risks and uncertainties that are difficult to predict. Actual results may differ materially from these forward-looking statements because of the company's history of losses, ability to maintain relationships with RBOCs, substantial indebtedness, intense competition, dependence on key management, changes in government regulations, and other risks that may be described in the company's filings with the Securities and Exchange Commission. Existing and prospective investors are cautioned not to place undue reliance on these forward-looking statements, which speak only as of today's date. Eschelon Telecom undertakes no obligation to update or revise the information contained in this announcement, whether as a result of new information, future events or circumstances or otherwise.

02005 Integra Telecom | WWW.integratelecom.com | 1-866-INTEGRA



HOME

ABOUT US

PARTNERS

SUPPORT CUSTOMER CENTRAL

Our Next Level Business Communications

SEARCH

VOICE

INTERNET

PHONE SYSTEMS

MARKETS WE SERVE

WHY ESCHELON

INVESTOR RELATIONS

ABOUT

News and Events / News and Events 2006

Eschelon Telecom, Inc. Fiber Optic Backhaul Ownership Surpasses 50%

11/27/2006

Minneapolis, MN - November 27, 2006: Eschelon Telecom, Inc. , (NASDAQ. ESCH) a leading provider of integrated communications services to small and medium sized businesses in the western United States, today announced that with the completion of its acquisition of Mountain Telecommunications, Inc. (MTI) last month, the percentage of backhaul facilities carried over company-owned fiber has reached 52%

"The extent of fiber in our network is probably the company's best-kept secret," stated Richard A. Smith, Eschelon's President and CEO. "As we built the network, we could never justify the economics of building the majority of our own fiber rings. The abundance of available facilities and significant price per channel mile compression has allowed us to lease whatever capacity we needed at very favorable terms. We have now completed our third acquisition of companies with their own fiber networks. Wherever possible, we are moving off of leased transport onto our own facilities - the synergies are significant."

As of December 1, 2006, Eschelon has 617 sheath miles in its network carrying approximately 7,768 strand miles of fiber. When the integration of Mountain Telecom is complete early next year, approximately 700 of the nearly 1,300, or 54%, of the Eschelon's DS3 facilities will be carried on the company's own fiber rings.

"As we begin the next phase of our network expansion, we will continue to evaluate the economics of leasing versus building backhaul facilities on a route-by-route basis," continued Smith. "Those economics obviously change significantly when we are able to acquire an existing broadband fiber network with the purchase of another company and since we will most likely continue to grow organically and through acquisitions, I expect our percent fiber ownership to continue to grow."

About Eschelon Telecom, Inc.

Eschelon Telecom, Inc. is a facilities-based competitive communications services provider of voice and data services and business telephone systems in 45 markets in the western United States. Headquartered in Minneapolis, Minnesota, the company currently employs approximately 1,400 telecommunications/

Interested in Eschelon's services?

Contact your local office to learn more about our services in your area or call 1-800-553-3733.

- Find your local office.
- Send us a message online.

- Customer Stories
- News and Events
- Press Kit
- Careers
- Community Matters
- Eschelon's History
- Tariffs & Price Lists
- Current Promotions
- Privacy Policy

Internet professionals, **serves** over 60,000 business customers and has in excess of 570,000 access lines in service throughout its markets in Arizona, California, Colorado, Minnesota, Montana, Nevada, Oregon, Utah and Washington. For more information, please visit *our web site at www.eschelon.com*

Forward Looking Statements

This announcement contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, **as** amended. The forward-looking statements are based on Eschelon **Telecom's** current intent, belief and expectations. These **statements** are not guarantees of future performance and are subject to certain risks and uncertainties that are difficult to predict. Actual results **may** differ materially from these forward-looking statements because of the company's history of losses, ability to maintain relationships with **RBOCs**, substantial indebtedness, intense competition, dependence on key management, changes in government regulations, and other **risks** that may be described in the company's **filings** with the Securities and Exchange Commission. Existing and prospective investors are cautioned not to **place** undue reliance on these forward-looking statements, which speak only as of today's date. Eschelon **Telecom** undertakes no obligation to update or revise the information contained in this announcement, whether as a result of new information, future events or circumstances or otherwise.

#

Industry Terms

Look up industry terms in our glossary.

[Voice](#) | [Internet](#) | [Phone Systems](#) | [Markets We Serve](#) | [Why Eschelon](#) | [About Us](#) | [Partners](#) | [Support](#)



The Next Level Of Business Communications

SEARCH

VOICE

INTERNET

PHONE SYSTEMS

MARKETS WE SERVE

WHY ESCHELON

INVESTOR RELATIONS

VOICE SERVICE



Interested in Eschelon's services?

Contact your local office to learn more about our services in your area or call 1-866-553-3733.

- Find your local office.
- Send us a message online.

Voice Services that Improve Your Bottom Line

Eschelon offers feature-rich, high-quality local business lines, local **T-1** and **PRI** solutions to give you the tools you need to communicate quickly and reliably. Eschelon's line of Integrated Solutions gives **you** the ability to combine all of your voice and data needs on a single high-speed, digital circuit for maximum **efficiency**.

LOCAL SERVICE

With Eschelon's Local Services, you'll receive the highest quality telephone service available to help your business thrive. Whether you choose our feature-rich analog lines or digital T-1 voice services, you will be equipped with reliable, low cost voice solutions that are just right for small to medium-sized businesses.

[MORE](#)

FIRST ESCHELON

For customers who want to combine their voice and Internet services on a single T-1, First Eschelon provides you with the flexibility you desire.

[MORE](#)

LONG DISTANCE

Companies of all sizes need to stay in contact with customers and employees. Eschelon offers a variety of long distance programs to meet your specific business needs. We offer both switched and dedicated long distance services backed by competitive pricing and outstanding customer service.

[MORE](#)

VOICE MESSAGING

Voice messaging has become a critical element of business communications that gives customers a direct connection to your business. With Eschelon's Voice Messaging, you can eliminate the confusion of paper messages and your customers will never get a busy signal.

[MORE](#)

PRECISION INTEGRATED ACCESS

Flexible voice and data services delivered over a single circuit--ideal for businesses that need from four to 16 voice lines and want fast, dedicated Internet access.

[MORE](#)

Industry Terms

Look up industry terms in our glossary



HOME

ABOUT US

PARTNERS

SUPPORT CUSTOMER CENTRAL

The Next Level Of Business Communications

SEARCH

VOICE

INTERNET

PHONE SYSTEMS

MARKETS WE SERVE

WHY ESCHELON

INVESTOR RELATIONS

INTERNET



Interested in Eschelon's services?

Contact your local office to learn more about our services in your area or call 1-866-553-3733.

Find your local office.

Send us a message online.

Internet Connectivity with Eschelon Goes Beyond Standard Dial-Up, DSL and T-1 Services.

Our services include e-mail, web and domain hosting and SMTP Mail Relay, as well as virus and Spam filtering options. Eschelon can provide security and Virtual Private Network (VPN) solutions for maximum protection and flexibility.

DSL

Digital Subscriber Line service (DSL) is a technology that offers a dedicated, high-speed and secure connection to the Internet. DSL uses existing copper wire phone lines and DSL modems at each end of the line to transmit data at much greater speeds than traditional dial-up or ISDN connections.

MORE

DEDICATED T-1

A Dedicated Internet T-1 Service is the ideal solution for customers requiring consistently reliable and secure bandwidth. Choose the speed that best fits your business - bandwidth options start at 768K and are available in 64K increments up to 1.5Mb. This dedicated solution is an "always-on" connection, and all of the bandwidth is dedicated solely to your network's Internet connection.

MORE

DIAL-UP

Eschelon provides many advanced services and helpful tools for your dial-up access and e-mail needs.

MORE

WEB HOSTING SERVICES

Let Eschelon host your Web site while you maintain complete control.

MORE

FIRST ESCHELON

For customers who want to combine their voice and Internet services on a single T-1, First Eschelon provides you with the flexibility you desire.

MORE

PRECISION INTEGRATED ACCESS

Flexible voice and data services delivered over a single circuit--ideal for businesses that need from four to 16 voice lines and want fast, dedicated Internet access.

MORE

Industry Terms

Look up industry terms in our glossary



The Next Level Of Business Communications

SEARCH

VOICE

INTERNET

PHONE SYSTEMS

MARKETS WE SERVE

WHY ESCHELON

INVESTOR RELATIONS

ABOUT US

News and Events / News and Events 2006

Eschelon Telecom's FlexPak Solution Exceeds Sales Expectations

06/12/2006

Strong Customer Demand for Reliable Technology, Additional Bandwidth and Scalable Solutions are Driving Sales

Minneapolis, Minn. - June 12, 2006: (NASDAQ: ESCH) Eschelon Telecom, Inc., a leading provider of integrated communications services to small and medium sized businesses in the western United States, today announced that its Precision FlexPak is exceeding sales expectations as businesses demand more bandwidth and reliable solutions. The Precision FlexPak Integrated T-1 allows a business to allocate unused voice channels for dedicated IP access, giving the customer more bandwidth to meet their specific business needs.

Precision FlexPak differs from other competitive VoIP products because it provides dedicated and guaranteed access – customers get access to the full bandwidth of the T-1 and do not suffer from the technology overhead drain of up to 20% that is common on VoIP circuits. FlexPak works with all types of signal transmissions – whether a customer is on a conference call, sending a fax or talking to someone who is using a digital cellular phone, **FlexPak** provides the reliability and quality businesses expect.

Precision FlexPak was specifically designed for small and medium sized businesses that need more bandwidth or stability than provided by DSL or cable-TV Internet connections. The Precision FlexPak product is delivered to customers via a dedicated T-1, the technology previously reserved for larger businesses. Now, customers can utilize the full 1.5 Mb bandwidth of the T-1 for a price comparable to phone lines and DSL.

Precision FlexPak is just one example of the products we offer that are designed specifically to support the needs of small and medium sized businesses,"stated Robert Pickens, Executive Vice President of Marketing and Integrations. In May, Precision FlexPak represented 37% of our total lines soldthis is very significant for a product that has been on the market for only six months. Its proven technology and reliability are becoming increasingly popular among customers as they continue to demand bandwidth to support mission-critical applications."

Interested in Eschelon's services?

Contact your local office to learn more about our services in your area or call 1-866-559-3733.

- ✦ Find your local office.
- ✦ Send us a message online.

- Customer Stories
- News and Events
- Press Kit
- Careers
- Community Matters
- Eschelon's History
- Tariffs & Price Lists
- Current Promotions
- Privacy Policy

more -

About Escheion Telecom, Inc.

Eschelon Telecom, Inc. is a facilities-based competitive communications services provider of voice and data services and business telephone systems in 23 markets in the western United States. Headquartered in Minneapolis, Minnesota, the company offers small and medium-sized businesses a comprehensive line of telecommunications and Internet products. Eschelon currently employs over 1,100 telecommunications/Internet professionals, serves over 55,000 business customers and has approximately 428,000 access lines in service throughout its markets in Minnesota, Arizona, Utah, Washington, Oregon, Colorado, Nevada and California.

Forward Looking Statements

This announcement contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The forward-looking statements are based on Eschelon Telecom's current intent, belief and expectations. These statements are not guarantees of future performance and are subject to certain risks and uncertainties that are difficult to predict. Actual results may differ materially from these forward-looking statements because of the company's history of losses, ability to maintain relationships with RBOCs, difficulties inherent in making and integrating acquisitions, substantial indebtedness, intense competition, dependence on key management, changes in government regulations, and other risks that may be described in the company's filings with the Securities and Exchange Commission. Existing and prospective investors are cautioned not to place undue reliance on these forward-looking statements, which speak only as of today's date. Eschelon Telecom undertakes no obligation to update or revise the information contained in this announcement, whether as a result of new information, future events or circumstances or otherwise.



Industry Terms

Look up industry terms in our glossary.

[Voice](#) | [Internet](#) | [Phone Systems](#) | [Markets We Serve](#) | [Why Eschelon](#) | [About Us](#) | [Partners](#) | [Investor](#)



The Next Level Of Business Communications

SEARCH

VOICE

INTERNET

PHONE SYSTEMS

MARKETS WE SERVE

WHY ESCHOLON

INVESTOR RELATIONS

11/11

News and Events / News and Events 2006

Eschelon Telecom, Inc. Fiber Optic Backhaul Ownership Surpasses 50%

11/27/2006

Minneapolis, MN - November 27, 2006: Eschelon Telecom, Inc., (NASDAQ: ESCH) a leading provider of integrated communications services to small and medium sized businesses in the western United States, today announced that with the completion of its acquisition of Mountain Telecommunications, Inc. (MTI) last month, the percentage of backhaul facilities carried over company-owned fiber has reached 52%.

"The extent of fiber in our network is probably the company's best-kept secret," stated Richard A. Smith, Eschelon's President and CEO. "As we built the network, we could never justify the economics of building the majority of our own fiber rings. The abundance of available facilities and significant price per channel mile compression has allowed us to lease whatever capacity we needed at very favorable terms. We have now completed our third acquisition of companies with their own fiber networks. Wherever possible, we are moving off of leased transport onto our own facilities - the synergies are significant."

As of December 1, 2006, Eschelon has 617 sheath miles in its network carrying approximately 7,768 strand miles of fiber. When the integration of Mountain Telecom is complete early next year, approximately 700 of the nearly 1,300, or 54%, of the Eschelon's DS3 facilities will be carried on the company's own fiber rings.

"As we begin the next phase of our network expansion, we will continue to evaluate the economics of leasing versus building backhaul facilities on a route-by-route basis," continued Smith. "Those economics obviously change significantly when we are able to acquire an existing broadband fiber network with the purchase of another company and since we will most likely continue to grow organically and through acquisitions, I expect our percent fiber ownership to continue to grow."

About Eschelon Telecom, Inc.

Eschelon Telecom, Inc. is a facilities-based competitive communications services provider of voice and data services and business telephone systems in 45 markets in the western United States. Headquartered in Minneapolis, Minnesota, the company currently employs approximately 1,400 telecommunications/Internet professionals, serves over 60,000

Interested in Eschelon's services?

Contact your local office to learn more about our services in your area or call 1-866-553-3733.



Find your local office.



Send us a message online.

Customer Stories

News and Events

Press Kit

Careers

Community Matters

Eschelon's History

Tariffs & Price Lists

Current Promotions

Privacy Policy

business customers and has in excess of 570,000 access lines in service throughout its markets in Arizona, California, Colorado, Minnesota,

###

Industry Terms

Look up industry terms in our glossary

[Voice](#) | [Internet](#) | [Phone Systems](#) | [Markets We Serve](#) | [Why Eschelon](#) | [About Us](#) | [Partners](#) | [Support](#)

© 2007 **Eschelon** Telecom, Inc.

[home](#) • [news](#) • [contact](#) • [careers](#) • [order service](#)[products](#)[carrier](#)[customer care](#)[about us](#)[agents](#)Your Integra market is **Arizona & Nevada**.

Products

[Voice Products](#)[Data Products](#)[Private Networking](#)[Integrated Products](#)

Products

[home](#) > [products](#)

► Voice Products

Includes local Basic Business Lines, T1 voice trunks, long distance and calling features.

► Data & Internet Products

Choose from Integra's affordable data connections, including T1, DS3, OCN or Ethernet, designed to help medium and large businesses make productive use of the Internet.

► Private Networking Products

High-bandwidth data transport services, including point-to-point private line and Ethernet products.

► Integrated Products

With Integra's Integrated Voice and Data products, your business can enjoy a range of communications services that all take advantage of a single data connection.

support tip

Are you an Integra customer with a **support** question? Try our **Customer care** section.

**Get started with
Integra.**[Contact us today >>](#)[home](#) | [sitemap](#) | [privacy](#) | [contact](#) | [careers](#) | [agents](#)

©2004-2007 Integra Telecom. Integra Telecom is a registered trademark of Integra Telecom, Inc.



[home](#) • [news](#) • [contact](#) • [careers](#) • [order service](#)

[products](#)

[carrier](#)

[customer care](#)

[about us](#)

[agents](#)

Your Integra market is **Arizona & Nevada**.

About Integra

[Contact Corporate](#)

[Company Info](#)

[News Room](#)

[News releases](#)

[In the Media](#)

[Press Kit](#)

[Customer Profiles](#)

[Report Card](#)

[Careers](#)

[Opportunities](#)

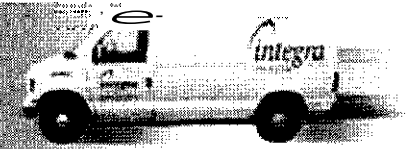
[Benefits](#)

[Agent Program](#)

[Policies](#)

[Regulatory Affairs](#)

About Us



[home](#) > [about us](#)

A Focus on Local Service and Satisfaction

Integra Telecom, Inc. is a facilities-based, integrated communications carrier, dedicated to providing a better choice for businesses in eight western states. It owns and operates a best-in-class carrier network that differentiates itself by staffing locally based customer care, technical, and account management professionals whose goal is to provide high-level, personalized client service and satisfaction.

The company serves thousands of businesses in the metropolitan areas of Arizona, California, Idaho, Minnesota, North Dakota, Oregon, Utah and Washington.

In contrast to companies that simply resell services from the monopoly Regional Bell Operating Companies (RBOC), Integra Telecom owns and operates its own network offering local dial tone, domestic and international long distance, high-speed Internet and data services (including digital subscriber line or DSL), voice messaging, and numerous ancillary services designed to support the communication needs of businesses.

The company enjoys the highest customer loyalty and customer satisfaction ratings in the telecommunications industry. Primary equity investors in the company include Bank of America Capital Partners, Boston Ventures and Nautic Equity Partners. Primary lenders include Goldman Sachs and Tennenbaum Capital. Integra Telecom and Electric Lightwave are registered trademarks of Integra Telecom Inc.

[home](#) | [siternap](#) | [privacy](#) | [contact](#) | [careers](#) | [agents](#)

©2004-2007 Integra Telecom. Integra Telecom is a registered trademark of Integra Telecom, Inc.

ELECTRIC LIGHTWAVE

Carrier Services

[home](#) | [about](#) | [products](#) | [support](#) | [contact](#)

recent news:

Integra Telecom
Announces Major Network
Upgrade

Integra Telecom Closes
Acquisition of Electric
Lightwave

contact electric lightwave

Retail Sales & Customer
Care:

[Go to Integra Telecom >>](#)

Carrier Sales:
(888) 354-8780

NOC/Repair:
(800) 622-4354

Welcome To Electric Lightwave

Electric Lightwave is one of the most recognized carrier services brands in the country providing communications network services, including transport, internet access and voice services, to telecom providers nationwide.

Electric Lightwave carriers gain access to twenty-three metropolitan access networks in eight western states, a nationally acclaimed tier one internet and data network, and high speed long-haul fiber-optic network that interconnects major markets in the West.

Electric Lightwave serves hundreds of carriers - meeting their needs everyday.

Attention Retail Telephone and Internet Customers:

On August 1, 2006, Electric Lightwave was acquired by Integra Telecom. Electric Lightwave's retail customers can now find **retail product information** (business lines, DSL, calling features, etc.) and **customer support** at the **Integra Telecom Web site**.

©2006 Electric Lightwave. Electric Lightwave is a registered trademark of Integra Telecom, Inc.

[home](#) | [about](#) | [products](#) | [support](#) | [contact](#)



[home](#) • [news](#) • [contact](#) • [careers](#) • [order service](#)

[products](#)

[carrier](#)

[customer care](#)

[about us](#)

[agents](#)

Your Integra market is Arizona & Nevada.

[home](#) > [about us](#) > [company information](#)

[Print Page](#)

About Integra

[Contact Corporate](#)

[Company Info](#)

[News Room](#)

[News releases](#)

[In the Media](#)

[Press Kit](#)

[Customer Profiles](#)

[Report Card](#)

[Careers](#)

[Opportunities](#)

[Benefits](#)

[Agent Program](#)

[Policies](#)

[Regulatory Affairs](#)

Network and Facilities

Integra Telecom is a facilities-based service carrier, operating its network from various switching centers throughout its operating regions. Integra implements only carrier-class equipment in its network operations. Integra's network equipment vendors include Lucent Technologies, Cisco Systems, Nortel, Tekelec, Cerent, Paradyne Corporation, Sun Microsystems, Carrier Access Corporation, and ADC/Kentrox, to name but a few.

Through its acquisition of Electric Lightwave in 2006, Integra owns and operates an eight-market, 2,200 route mile (160,000 fiber miles) metropolitan area network, with direct fiber access into over 580 major commercial buildings. Many other competitive local exchange carriers are scrambling to find network alternatives in response to recent FCC rules that increase the cost of leasing network from the Bell companies. Integra, by acquiring Electric Lightwave's metropolitan area network, becomes one of the first to insulate itself from this unpredictable landscape of telecom regulation. In addition to the metropolitan area networks, Integra will also own and operate Electric Lightwave's unique 4,700-mile, long haul network - one of the largest of its kind in the western United States.

Integra's network operations are monitored 24 hours per day. Backup power sources, including battery and generator systems, keep Integra systems operational in the case of power outages. Integra's voice and data networks are connected to and from the public switched telephone network (PSTN) and the Internet via ATM over multiple fiber-optic SONET rings, ensuring failsafe operation in the event of carrier service interruption. Integra operates Lucent 5ESS® switching equipment to support all local and long distance voice services. Integra's product sets include Lucent's enhanced CLASS services like call waiting, caller ID, and more. Current and future investments in network switching equipment will emphasize a transition to next-generation, packet-switched network technologies. These build-outs provide the flexibility to handle any form of voice or data over an optimized network at lower cost.

With a customer base increasingly dependent on connections to *the Internet, Integra Telecom has engineered its data network* with virtually unlimited scalability, featuring several multi-megabit connections to Tier 1 Internet providers in each market. Integra's fiber-optic backbone feeds are designed for high burst rates and monitored usage for optimal bandwidth availability.

< Return to Company Information

[home](#) | [sitemap](#) | [privacy](#) | [contact](#) | [careers](#) | [agents](#)

©2004-2007 Integra Telecom Integra Telecom is a registered trademark of Integra Telecom, Inc